

Washington, DC – On Friday, Harry Teague voted against the CLEAR Act over concerns that a new \$2 dollar fee per barrel of oil and 20 cents per million bcu of natural gas produced on federal lands in the United States would negatively affect energy jobs throughout southern New Mexico. Because the fee would be instituted only on federal lands and only on domestic production, Teague argued that the bill would harm the competitiveness of oil and natural gas production in New Mexico compared to states like Texas that produce energy but not on federal lands. Additionally, the domestic energy fee would worsen our dependence on imported oil and natural gas, which would not be subject to the fee.

“New Mexico’s small oil and gas producers are essential to our local economies, providing employment for thousands of New Mexicans and helping to secure American’s energy independence. While we need to take steps to ensure that a disaster like the Gulf oil spill does not happen again, this legislation imposes unreasonable requirements and restrictions that will ultimately force New Mexico’s smaller energy producers to cut critical jobs at a time when our nation simply cannot afford that,” said Harry Teague. “It’s my job to make the difference between Big Oil and the independent oil and gas producers here in New Mexico clear and to work to protect the livelihoods of our responsible, independent producers. The provisions in this bill, like the \$2 per barrel tax and elimination of the liability cap, will force many of our smaller producers to plug their wells. And as we work to reduce our dependence on foreign oil and increase American-made energy, I cannot support legislation that undermines those goals.”

Although Teague did not vote for the CLEAR Act, in the weeks leading up to its consideration he worked to prevent the legislation from containing several provisions that would have been harmful to New Mexico’s oil and natural gas industry. Because of Teague’s [leadership and](#)

[work with a number of Representatives](#)

, the following provisions were kept out of the final bill:

- **Increase in oil and gas taxes.** Legislation had been developed to reduce tax benefits for oil and gas under the Intangible Drilling Costs deduction and the Manufacturers Deduction. The proposals were not included in legislation brought to the floor.
- **Federal regulation of hydraulic fracturing.** In its previous version, the CLEAR Act contained federal regulation of hydraulic fracturing, which has been effectively regulated at the state level since the inception of the technique. The proposal was not contained in the bill that was brought to the floor.
- **Federal onshore oil and gas leasing reforms.** The CLEAR Act originally contained broad and far reaching reforms of onshore oil and natural gas leasing practices that would have created an unmanageable amount of uncertainty in the oil and gas industry and severely limited drilling on federal lands and resulted in the loss of the American jobs. The provision was not included in the CLEAR Act as it was prepared for floor consideration.
- **Diligent development language/Use it or lose it.** In its previous version, the CLEAR Act contained unreasonable requirements for adhering to a certain timeframe for production. This language was not included in the final bill prepared for floor consideration.

Teague's efforts to improve the bill were organized around a [letter](#) to House leadership that Teague led along with 16 colleagues, urging caution that legislation to address the BP oil spill should not unnecessarily restricting onshore energy development or impose unreasonable limitations on future offshore energy production.

Teague also fought the expansion of EPA stormwater regulation over oil and gas production sites and offered an amendment to the bill on the floor of the House that would allow more independent producers to compete for leases in the Gulf of Mexico by pooling resources or obtaining joint insurance coverage to comply with Certificate of Financial Responsibility requirements. The amendment passed on the floor with broad bipartisan support. Teague [spoke on the House floor in support of his amendment](#)

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